

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 962

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Joseph Cervantes

AN ACT

RELATING TO TAXATION; ~~MODIFYING A COMPENSATING TAX DEDUCTION~~
FOR AGRICULTURAL IMPLEMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-77 NMSA 1978 (being Laws 1966,
Chapter 47, Section 15, as amended) is amended to read:

"7-9-77. DEDUCTIONS--COMPENSATING TAX. --

A. Fifty percent of the value of agricultural
implements, farm tractors, aircraft not exempted under Section
7-9-30 NMSA 1978 or vehicles that are not required to be
registered under the Motor Vehicle Code may be deducted from
the value in computing the compensating tax due; provided that,
with respect to use of agricultural implements, the person
using the property is regularly engaged in the business of
farming or ranching. Any deduction allowed under Subsection B

underscored material = new
[bracketed material] = delete

1 of this section is to be taken before the deduction allowed by
2 this subsection is computed. As used in this subsection,
3 "agricultural implement" means a tool, utensil, storage
4 container, bin or instrument that is:

5 (1) designed primarily for use with a source
6 of [~~motive~~] power, such as a tractor, in planting, growing,
7 cultivating, harvesting, storing or processing agricultural
8 produce [~~at the place where the produce is grown~~]; in raising
9 poultry or livestock; or in obtaining or processing food or
10 fiber, such as eggs, milk, wool or mohair, from living poultry
11 or livestock at the place where the poultry or livestock are
12 kept for this purpose; and

13 (2) depreciable for federal income tax
14 purposes.

15 B. That portion of the value of tangible personal
16 property on which an allowance was granted to the buyer for a
17 trade-in of tangible personal property of the same type that
18 was bought may be deducted from the value in computing the
19 compensating tax due. "

20 Section 2. EFFECTIVE DATE. --The effective date of the
21 provisions of this act is July 1, 2003.